

Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 12858 01 OF 02 200927Z

11

ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-07 IO-10 ISO-00 FEA-01

AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 NEA-10 /132 W
----- 128277

R 200907Z AUG 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3951

INFO AMEMBASSY ABIDJAN

AMEMBASSY ACCRA

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY KUALA LUMPUR

AMEMBASSY LAGOS

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY YAOUNDE

USMISSION GENEVA

USMISSION OECD PARIS

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 01 OF 02 LONDON 12858

E.O. 11652: N/A

TAGS: ETRD EAGR

SUBJECT: COCOA: SECOND SESSION OF PREPARATORY COMMITTEE

REF: LONDON 12779

1. SUMMARY. THE COCOA PREPARATORY COMMITTEE HELD FINAL
SESSION AFTERNOON OF AUGUST 18. BOTH PRODUCERS AND CON-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 12858 01 OF 02 200927Z

SUMERS PRESENTED SUMMARY PAPERS, WITH PRODUCERS FAR MORE

EXPLICIT THAN CONSUMERS. ALTHOUGH THE EXECUTIVE DIRECTOR (HACKMAN) SUMMED UP THE WORK OF THE COMMITTEE IN AN OPTIMISTIC TONE, LITTLE CONVERGENCE OF VIEWS TOOK PLACE. CONSUMERS OBVIOUSLY HAVE NOT YET ESTABLISHED NEGOTIATING POSITIONS, WHILE THE PRODUCERS SEEM WELL COORDINATED. PRODUCERS HAVE MODERATED THE TONE OF THEIR DEMANDS BUT ARE UPSET AT THE LACK OF CLARIFICATION ON THE PART OF IMPORTERS. PREPCOMM AGREED THAT MALAYSIAN AMBASSADOR TO UN GENEVA, PETER LAI, SHOULD BE ASKED TO CHAIR GENEVA MEETING. END SUMMARY.

2. CONSUMERS PREPARED A STATEMENT FOR PRESENTATION TO THE FULL PREPARATORY COMMITTEE. IT WAS DRAFTED BY THE UK, US, FRG AND SWEDEN. THE TEXT FOLLOWS. QUOTE:

PREPARATORY COMMITTEE: 18 AUGUST 1975

CONSUMER STATEMENT

CONSUMERS REAFFIRM THEIR COMMITMENT TO THE RENEGOTIATION OF THE INTERNATIONAL COCOA AGREEMENT DURING THE FORTHCOMING UNCTAD CONFERENCE IN GENEVA. DURING INFORMAL MEETINGS OVER THE PERIOD OF THE LAST FEW DAYS, CONSUMERS HAVE DIRECTED THEIR ATTENTIONS TOWARDS AN IN-DEPTH EXAMINATION OF THE PRESENT AGREEMENT WITH THE OBJECTIVE OF DETERMINING WAYS AND MEANS BY WHICH THE EFFECTIVENESS OF THE PRESENT MECHANISMS MIGHT BE IMPROVED TO BETTER ATTAIN THE AGREEMENT'S OBJECTIVES AS SET OUT IN ARTICLE I. TO THIS END, CONSUMERS HAVE, DURING THEIR DELIBERATIONS, SOUGHT TO IDENTIFY CERTAIN AREAS WHICH IN THEIR VIEW MIGHT TO ADVANTAGE BE MODIFIED OR ADJUSTED. AMONG THOSE AREAS IDENTIFIED WERE:-

PRICES

CONSUMING COUNTRIES BELIEVE THAT THE PURPOSE OF THE INTERNATIONAL COCOA AGREEMENT IS TO STABILIZE PRICES WITHIN A RANGE WHICH WOULD BE BOTH REMUNERATIVE TO PRODUCERS AND JUST TO CONSUMERS. SUCH PRICES, WHILE PROVIDING THE NECESSARY STIMULUS TO PRODUCTION, SHOULD NOT DISCOURAGE CONSUMPTION. IN THIS CONTEXT, CONSUMERS CONSIDERED THE POSSIBILITY OF ADOPTING A MORE FLEXIBLE PRICE MECHANISM TO ENSURE THAT THE SUCCESSOR TO THE PRESENT AGREEMENT EFFECTIVELY ACHIEVES THESE ENDS.

BASIC QUOTAS

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 12858 01 OF 02 200927Z

CONSUMERS DESIRE THAT QUOTAS REFLECT CURRENT ACTUAL PRODUCTION PATTERNS AND ENABLE THE SECOND AGREEMENT TO ADAPT IN A MORE REALISTIC WAY TO FUTURE CHANGES IN THESE PATTERNS.

ASSURANCE OF SUPPLIES

CONSUMERS HAVE DIRECTED THEIR ATTENTION TO WAYS AND MEANS OF MODIFYING BOTH ARTICLE 44 OF THE INTERNATIONAL COCOA AGREEMENT 1972 AND THE ARRANGEMENTS FOR SALES BY

THE BUFFER STOCK MANAGER IN DEFENCE OF THE MAXIMUM PRICE,
THEREBY PROVIDING A REAL ASSURANCE OF SUPPLIES TO IMPORT-
ING MEMBER COUNTRIES.

IN THE LIGHT OF THE GOOD RELATIONS WHICH HAVE CHARAC-
TERIZED THE WORKING TOGETHER OF THE 50 OR SO MEMBER
COUNTRIES IN THE TWO YEARS OF THE PRESENT AGREEMENT'S
LIFE, CONSUMERS ARE HOPEFUL OF THE SUCCESSFUL OUTCOME OF
THE FORTHCOMING NEGOTIATING CONFERENCE.

UNQUOTE

3. THE PREPARATORY COMMITTEE AGREED TO ASK UNCTAD TO
APPROACH MALAYSIAN AMBASSADOR AT GENEVA PETER LAI AND
REQUEST HE BE CHAIRMAN OF THE COCOA NEGOTIATING CONFER-
ENCE. THE NOMINATION IS PART OF A PACKAGE WORKED OUT
BETWEEN CONSUMERS AND PRODUCERS IN WHICH CONSUMER

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 LONDON 12858 02 OF 02 200924Z

11

ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-07 IO-10 ISO-00 NEA-10

FEA-01 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06

PRS-01 SP-02 OMB-01 /132 W

----- 128275

R 200907Z AUG 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3952

INFO AMEMBASSY ABIDJAN

AMEMBASSY ACCRA

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY KUALA LUMPUR

AMEMBASSY LAGOS

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE
AMEMBASSY YAOUNDE
USMISSION GENEVA
USMISSION OECD PARIS
USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 02 OF 02 LONDON 12858

SPOKESMAN MICHAEL MADDEN, U.K., IS TO BE NAMED CHAIRMAN OF THE ECONOMIC COMMITTEE WHILE A PRODUCER MEMBER WILL BE NAMED HEAD OF THE ADMINISTRATIVE LEGAL COMMITTEE.

4. PRODUCERS PRESENTED SUPPLEMENTARY PROPOSALS ON AN ARTICLE BY ARTICLE BASIS. THESE PROPOSALS ARE A MODIFIED LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 12858 02 OF 02 200924Z

FICATION OF PREVIOUS PRODUCER IDEAS WHICH SURFACED FROM PRODUCER DISCUSSIONS DURING THE SECOND PREPCOM. THE NEW PRODUCER PROPOSED AMENDMENTS DROP A FEW OF THE MORE IRKSOME IDEAS FIRST PUT FORWARD.

5. NIGERIA SUMMED UP PRODUCER REACTION TO THE RESULTS OF THE PREPARATORY COMMITTEE AS ONE OF FRUSTRATION WITH THE LACK OF CLARIFICATION ON CONSUMER POSITIONS. THE NIGERIAN DELEGATE POINTED OUT THAT CONSUMERS HAVE RAISED BASIC DOUBTS ABOUT THE AGREEMENT WITHOUT INDICATING IDEAS FOR IMPROVEMENT.

6. THE SWISS WITHDREW THEIR PROPOSAL ON SUPPLY AND PURCHASE COMMITMENTS TO THE GENERAL RELIEF OF ALL PRESENT.

7. COMMENT: THE SECOND SESSION OF THE PREPARATORY COMMITTEE PERMITTED PRODUCERS TO RESOLVE SOME OF THEIR INTERNAL PROBLEMS, MODERATE THEIR DEMANDS AND ADD REALISM TO THEIR APPROACH. ALTHOUGH THIS SESSION WAS CALLED BY CONSUMERS, THEY WERE NO BETTER PREPARED TO PUT FORWARD FIRM PROPOSALS THAN AT THE FIRST PREPARATORY CONFERENCE. CONSUMERS DID HOWEVER HAVE AN OPPORTUNITY TO CLARIFY THEIR VIEWS AS NOTED IN THE CONSUMER STATEMENT AND ARE NOW IN A BETTER POSITION TO TAKE THE AVAILABLE EVIDENCE HOME FOR A MORE THOROUGH PREPARATION FOR THE NEGOTIATING CONFERENCE. WITH REGARD TO PRICE PROVISIONS, THERE SEEMS TO BE LITTLE CONSENSUS AMONG CONSUMERS OF PRECISE PRICE BRACKETS TO BE SOUGHT--ALTHOUGH IN GENERAL TERMS THERE SEEMS TO BE AGREEMENT ON THE NEED FOR WIDENING RANGES AND TAKING MOST DETAILS OF PRICE PROVISIONS OUT OF AGREEMENT ITSELF (I.E., LEAVING TO RULES

OR COUNCIL DECISION). OPINION APPEARS TO VARY ON PRICE
LEVELS FROM A CONSERVATIVE, STAND PAT POSITION BY THE
FRG TO A "REALISTIC" VIEW BY THE NETHERLANDS (I.E., MORE
OR LESS REFLECTING CURRENT LEVELS). PRODUCERS, MEANWHILE
ARE CAREFUL NOT TO SURFACE A SPECIFIC MINIMUM PRICE
FIGURE, BUT THEY HAVE LET IT BE KNOWN INFORMALLY THAT
THEY WILL PRESS FOR AN UPWARD REVISION AT GENEVA.

RICHARDSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COCOA, IMPORTERS, EXPORTERS, MEETING PROCEEDINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LONDON12858
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750287-0804
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750836/aaaabfes.tel
Line Count: 231
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 LONDON 12779
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 21 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 APR 2003 by CunninFX>; APPROVED <22 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COCOA: SECOND SESSION OF PREPARATORY COMMITTEE
TAGS: ETRD, EAGR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006